

Hearing Date and Time: TBD
Objection Deadline: TBD

Bonnie Steingart
Jennifer Rodburg
Richard Slivinski
FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP
One New York Plaza
New York, New York 10004
Telephone: 212.859.8000
Facsimile: 212.859.4000

Counsel for the Official Committee of Equity Security Holders

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11
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Delphi Corporation, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	(Jointly Administered)
Debtors.	:	
	:	
	:	
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**COMBINED SIXTH INTERIM AND FINAL APPLICATION OF
FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP, AS
COUNSEL FOR THE OFFICIAL COMMITTEE OF EQUITY
SECURITY HOLDERS, FOR COMPENSATION FOR
PROFESSIONAL SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED AND POSTED
DURING THE PERIOD FROM
MAY 8, 2006 THROUGH JANUARY 25, 2008**

TO THE HONORABLE ROBERT D. DRAIN,
UNITED STATES BANKRUPTCY JUDGE:

Fried, Frank, Harris, Shriver & Jacobson LLP (“Fried Frank”), as counsel for the Official Committee of Equity Security Holders (the “Equity Committee”) of Delphi Corporation (“Delphi,” and together with the other above-captioned debtors, the “Debtors”) in the above-captioned cases (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code

(the “Bankruptcy Code”), hereby submits this combined sixth interim and final fee application (the “Final Fee Application”) for (i) allowance of compensation for the reasonable and necessary legal services rendered by Fried Frank on behalf of the Equity Committee and reimbursement of actual and necessary expenses incurred and posted for the period from October 1, 2007 through and including January 25, 2008 (the “Sixth Interim Period”),¹ and (ii) allowance, on a final basis, of compensation in the amount of \$11,066,482.50² for the reasonable and necessary legal services rendered by Fried Frank on behalf of the Equity Committee (the “Fees”) and reimbursement in the amount of \$509,892.97³ for the actual and necessary expenses incurred and posted (the “Expenses”) for the period from May 8, 2006 through and including January 25, 2008 (the “Compensation Period”). Fried Frank submits this Final Fee Application pursuant to: (i) sections 330 and 331 of the Bankruptcy Code and in accordance with Article 10.3 of the Debtors’ First Amended Joint Plan of Reorganization (the “First Amended Plan”) (Docket No. 11386), which was confirmed by an order of this Court dated January 25, 2008 (the “Confirmation Order”) (Docket No. 12359),⁴ (ii) the Order Under 11 U.S.C. § 331 Establishing Procedures For Interim Compensation and Reimbursement of Expenses of Professionals, entered November 4, 2005 (Docket No. 869) (as supplemented by Docket Nos. 2747, 2986, 3630, 4545,

¹ Fried Frank’s Sixth Interim Period corresponds to the Debtors’ seventh interim fee period because Fried Frank was retained by the Equity Committee after the Debtors’ first interim fee period.

² As discussed below and set forth in the attached exhibits, Fried Frank’s fees totaled \$11,181,377.50 for the Compensation Period. Fried Frank agreed to reduce its fees by a total of \$114,895.00 during the interim compensation process. As such, Fried Frank is hereby requesting final allowance of \$11,066,482.20 for reasonable and necessary legal services.

³ As discussed below and set forth in the attached exhibits, Fried Frank’s expenses totaled \$528,235.97 for the Compensation Period. Fried Frank agreed to reduce its expenses by a total of \$18,343.00 during the interim compensation process. As such, Fried Frank is hereby requesting final allowance of \$509,892.97 for reasonable and necessary expenses.

⁴ On June 16, 2009, the Debtors filed a motion for, among other things, approval of certain modifications to the First Amended Plan and Confirmation Order (the “Modified Plan”) (Docket No. 17032). On July 30, 2009, the court entered an order approving the Modified Plan (the “Plan Modification Order”) (Docket No. 18707). Pursuant to the Plan Modification Order, the Confirmation Order has not been revoked, withdrawn, or vacated and remains in full force and effect, except as modified by the Plan Modification Order. Article 10.3 of the Modified Plan was not altered by entry of the Plan Modification Order.

5310, 6145, 12367 and 12884, the “Interim Compensation Order”), (iii) the Amended Guidelines for Fees and Disbursements of Professionals in the Southern District of New York Bankruptcy Cases, adopted by this Court on April 19, 1995 (the “Amended Guidelines”) and (iv) the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed under 11 U.S.C. § 330, adopted on January 30, 1996 (the “UST Guidelines”). In support of this Final Fee Application, Fried Frank respectfully states as follows:

PRELIMINARY STATEMENT

1. On April 28, 2006, the United States Trustee appointed the Equity Committee in the Chapter 11 Cases. The Equity Committee retained Fried Frank on May 8, 2006, subject to Bankruptcy Court approval, which was subsequently obtained on June 19, 2006. On April 23, 2009, the Court directed the disbandment of the Equity Committee, at which time the Equity Committee’s role in the case ceased and Fried Frank was relieved of its role and responsibility in the Chapter 11 Cases on behalf of the Equity Committee.

2. During the course of Fried Frank’s representation of the Equity Committee throughout the Chapter 11 Cases, Fried Frank devoted considerable time, effort and resources to maximizing the value of the Debtors’ estates and to protecting and advancing the interests of Delphi’s equity security holders. As discussed in further detail below, Fried Frank’s representation of the Equity Committee required that Fried Frank advise and assist the Equity Committee with respect to numerous issues and fluctuating business conditions during the Compensation Period. Specifically, during its retention, Fried Frank devoted a significant amount of professional effort to reviewing, analyzing and advising the Equity Committee with respect to, among other things, (i) the Debtors’ performance of its duties and powers under the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (ii) the Debtors’ negotiations and settlement agreements with their labor unions and General Motors

Corp. (“GM”); (iii) the Debtors’ motion for an order under 11 U.S.C. §§ 1113 and 1114 authorizing rejection of collective bargaining agreements and authorizing modification of retiree welfare benefits; (iv) the Equity Committee’s evaluation of various claims by and against GM and responding to the Official Committee of Unsecured Creditors’ (the “Creditors’ Committee”) motion for standing to bring claims against GM on behalf of the Debtors; (v) the Equity Committee’s evaluation and negotiation of various framework restructuring proposals presented by the Debtors; (vi) the Equity Committee’s evaluation of various claims by and against GM and in connection with a Global Settlement Agreement and the Master Restructuring Agreement with GM (the “GM Settlement Agreement”); (vii) the Debtors’ proposals and agreements related to potential plan sponsors and their investments, including the Equity Purchase and Commitment Agreement (the “EPCA”); (viii) the Debtors’ chapter 11 plan of reorganization (the “Plan”) and amended versions and modifications thereof and related disclosure statement (the “Disclosure Statement”); (ix) an attempted consensual resolution of the Chapter 11 Cases prior to entry of the Confirmation Order; and (x) the numerous hearings that occurred during the Chapter 11 Cases, including, among others, contested hearings on the EPCA and the Plan.

3. The Debtors’ equity security holders did not receive a distribution from the Debtors’ estates as a result of the severe downturn in the economy and in the automotive industry in particular. However, prior to the withdrawal of certain investors that had committed to the Plan confirmed on January 25, 2008, the Plan had provided for a recovery to equity as a result of the Equity Committee’s efforts. Moreover, until its disbandment, the Equity Committee continued to advocate for a recovery for its constituents and protect their interests. In that regard, throughout the Compensation Period, the Equity Committee, and Fried Frank acting on the Equity Committee’s behalf, made significant contributions to the Debtors’ restructuring and served an important role in facilitating the Debtors’ bankruptcy and reorganization process. The

Equity Committee vigorously represented the interests of Delphi's Equity Holders in the Chapter 11 Cases for over two and a half years.

4. During the Compensation Period, 19,724.40 recorded hours were expended by Fried Frank's partners, counsel, associates and paraprofessionals in the rendition of Fried Frank's professional services. Fried Frank's professional and ancillary services were rendered in a highly efficient manner, by attorneys with high levels of skill in the areas for which they rendered services. This experienced group of attorneys made every effort to ensure that the Equity Committee functioned in as efficient and expeditious a manner as possible. In light of the foregoing and as set forth in further detail herein, Fried Frank respectfully submits that it is reasonable and appropriate that this Court approve Fried Frank's request for final allowance of \$11,576,375.47, consisting of \$11,066,482.50 in Fees and \$509,892.97 for reimbursement of actual and necessary Expenses during the Compensation Period. These amounts include compensation for Fried Frank's Sixth Interim Period in the amount of \$2,918,899.00 in fees and \$138,683.55 for reimbursement of actual and necessary expenses. Of the total compensation sought, \$583,779.80 remains unpaid, which represents the 20% holdback with respect to the fees requested in the monthly statements during Fried Frank's Sixth Interim Period.

BACKGROUND

5. On October 8 and 14, 2005, Delphi and certain of its U.S. subsidiaries and affiliates filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors operated their businesses and managed their properties as debtors-in-possession. This Court entered orders directing the joint administration of the Chapter 11 Cases.

6. On October 17, 2005, the Office of the United States Trustee (the “UST”) appointed the Creditors’ Committee. No trustee or examiner was appointed in the Chapter 11 Cases.

7. On March 30, 2006, the Court entered an order (the “Equity Committee Order”) directing the UST to appoint a committee of equity security holders pursuant to section 1102 of the Bankruptcy Code.

8. On April 28, 2006, the UST appointed the Equity Committee. On May 8, 2006, the Equity Committee determined, subject to Court approval, to retain Fried Frank as its counsel. The retention of Fried Frank nunc pro tunc to May 8, 2006 was approved by this Court by order dated June 19, 2006 (the “Retention Order”).⁵

9. On May 5, 2006, the Court entered an order establishing a Joint Fee Review Committee, among other things.

10. On January 25, 2008 (the “Confirmation Date”), this Court entered the Confirmation Order. The Confirmation Order terminated the requirement that professionals comply with sections 327 through 331 of the Bankruptcy Code in seeking compensation for services rendered after the Confirmation Date. Thereafter, the Debtors paid Fried Frank’s fees and expenses incurred after the Confirmation Date in the ordinary course of business.

11. Pursuant to the Debtors’ sixth interim fee application order, entered February 27, 2008 (Docket No. 12884), the requirement for the filing of an interim fee application for Fried Frank’s Sixth Interim Period (October 1, 2007 through and including January 25, 2008) was dispensed with and the Court directed that fee applications for that period be included in and filed with a final fee application no later than the last day of the second full month after the

⁵ A copy of the Retention Order is attached hereto as **Exhibit A**.

effective date of the First Amended Joint Plan of Reorganization of Delphi or May 31, 2008, whichever was later.

12. On April 23, 2009, this Court entered an order directing the UST to disband the Equity Committee, and the Equity Committee was disbanded on that date.

13. On October 6, 2009, the Debtors' First Amended Plan (as modified) became effective.

JURISDICTION AND VENUE

14. This Court has jurisdiction over the Final Fee Application pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. § 1409.

PREVIOUS REQUESTS AND COMPENSATION RECEIVED

15. On July 31, 2006, Fried Frank filed its first interim fee application for the period from May 8, 2006 through May 31, 2006 (the "First Interim Fee Application"). The First Interim Fee Application sought the allowance of (i) fees in the amount of \$598,265.00 and (ii) expenses in the amount of \$5,451.63. After discussions with the Joint Fee Review Committee, Fried Frank agreed to reduce its fees sought in the First Interim Fee Application by \$10,700.00. In accordance with the omnibus order granting second interim applications for the February 1, 2006 through May 31, 2006 period, Fried Frank was awarded \$587,565.00 in professional fees and \$5,451.63 in expenses in respect of its First Interim Fee Application. Fried Frank has received payment of these fees and expenses.

16. On November 30, 2006, Fried Frank filed its second interim fee application for the period from June 1, 2006 through September 30, 2006 (the "Second Interim Fee Application"). The Second Interim Fee Application sought the allowance of (i) fees in the amount of \$2,673,791.00 and (ii) expenses in the amount of \$162,011.61. After discussions with

the Joint Fee Review Committee, Fried Frank agreed to reduce its fees sought in the Second Interim Fee Application by \$40,000.00. In accordance with an omnibus order entered by the Court on February 22, 2007 approving payment of professional fees and expenses for the period from June 1, 2006 through September 30, 2006 period, Fried Frank was awarded \$2,633,791.00 in professional fees and \$162,011.61 in expenses in respect of its Second Interim Fee Application. Fried Frank has received payment of these fees and expenses.

17. On March 29, 2007, Fried Frank filed its third interim fee application for the period from October 1, 2006 through January 31, 2007 (the "Third Interim Fee Application"). The Third Interim Fee Application sought the allowance of (i) fees in the amount of \$2,701,363.00 and (ii) expenses in the amount of \$133,271.20. After discussions with the Joint Fee Review Committee, Fried Frank agreed to reduce its fees sought in the Third Interim Fee Application by \$23,400.00 and its expenses by \$15,400.00. In accordance with an omnibus order entered by the Court on June 27, 2007 approving payment of professional fees and expenses for the period from October 1, 2006 through January 31, 2007 period, Fried Frank was awarded \$2,677,963.00 in professional fees and \$117,871.20 in expenses in respect of its Third Fee Application. Fried Frank has received payment of these fees and expenses.

18. On July 31, 2007, Fried Frank filed its fourth interim fee application for the period from February 1, 2007 through May 31, 2007 (the "Fourth Interim Fee Application"). The Fourth Interim Fee Application sought the allowance of (i) fees in the amount of \$1,126,528.00 and (ii) expenses in the amount of \$55,322.84. After discussions with the Joint Fee Review Committee, Fried Frank agreed to reduce its fees sought in the Fourth Interim Fee Application by \$23,000.00 and its expenses by \$1,800.00. In accordance with an omnibus order entered by the Court on October 29, 2007 approving payment of professional fees and expenses for the period from February 1, 2007 through May 31, 2007 period, Fried Frank was awarded

\$1,103,528.00 in professional fees and \$53,522.84 in expenses in respect of its Fourth Interim Fee Application. Fried Frank has received payment of these fees and expenses.

19. On November 30, 2007, Fried Frank filed its fifth interim fee application for the period from June 1, 2007 through September 30, 2007 (the “Fifth Interim Fee Application”). The Fifth Interim Fee Application sought the allowance of (i) fees in the amount of \$1,162,531.50 and (ii) expenses in the amount of \$33,495.14. After discussions with the Joint Fee Review Committee, Fried Frank agreed to reduce its fees sought in the Fifth Interim Fee Application by \$17,795.00 and its expenses by \$1,143.00. In accordance with an omnibus order entered by the Court on February 25, 2008 approving payment of professional fees and expenses for the period from June 1, 2007 through September 30, 2007 period, Fried Frank was awarded \$1,144,736.50 in professional fees and \$32,352.14 in expenses in respect of its Fifth Interim Fee Application. Fried Frank has received payment of these fees and expenses.

20. During Fried Frank’s Sixth Interim Period, which corresponds to the Debtors’ seventh interim fee period, Fried Frank submitted monthly fee statements in accordance with the Interim Compensation Order for the periods October 1, 2007 through October 31, 2007, November 1, 2007 through November 30, 2007, December 1, 2007 through December 31, 2007, and January 1, 2007 through January 25, 2008. To date, Fried Frank has received payment equal to 80% of fees and 100% of expenses previously requested for Fried Frank’s Sixth Interim Period.

COMPLIANCE WITH APPLICABLE ORDERS AND GUIDELINES

21. This Final Fee Application has been prepared in compliance with the Interim Compensation Order, the Amended Guidelines, and the UST Guidelines. Pursuant to the Amended Guidelines, a certification regarding compliance is attached hereto as **Exhibit B**.

SUMMARY OF APPLICATION

22. During its retention in the Chapter 11 Cases, Fried Frank acted as counsel to the Equity Committee and advised the Equity Committee with respect to the numerous issues that confronted the Debtors and the Debtors' equity security holders, consistent with the Bankruptcy Code and the Equity Committee Order. As more fully described below, the professional services rendered by Fried Frank included, among others:

- (i) assisting, advising and representing the Equity Committee in the performance of its duties and powers under the Bankruptcy Code and Bankruptcy Rules, and assisting the Equity Committee in becoming fully versed in issues of the Chapter 11 Cases;
- (ii) assisting, advising and representing the Equity Committee in reviewing and determining the Equity Committee's rights and obligations;
- (iii) assisting, advising and representing the Equity Committee in its meetings with the Debtors, the Creditors' Committee, equity holders, GM and potential investors;
- (iv) assisting, advising and representing the Equity Committee in the various labor issues involving the Debtors, their unions, and their workforce, including the Debtors' motion authorizing rejection of collective bargaining agreements and authorizing modification of retiree welfare benefits (the "1113/1114 Motion"), the memoranda of understanding among Delphi, GM and Delphi's labor unions (the "Memoranda of Understanding") and the Debtors' attrition programs;
- (v) assisting, advising and representing the Equity Committee in its evaluation of various claims by and against GM, including reviewing and responding to the Creditors' Committee's motion for standing to bring claims against GM on behalf of the Debtors and in connection with the Global Settlement Agreement and the Master Restructuring Agreement with GM (the "GM Settlement Agreement");
- (vi) assisting, advising and representing the Equity Committee in its evaluation and negotiation of various framework restructuring proposals and numerous versions of such proposals put forth by certain potential plan investors;
- (vii) assisting, advising and representing the Equity Committee in its evaluation and negotiation of the various term sheets, restructuring proposals and drafts developed by various parties-in-interest in the Chapter 11 Cases,

including agreements with plan investors, and in reviewing, responding and representing the Equity Committee with respect to the Debtors' motions for approval of the EPCA and amendments to the EPCA;

- (viii) assisting, advising and representing the Equity Committee with respect to the Debtors' Joint Plan of Reorganization of Delphi Corporation and Certain Affiliates, Debtors and Debtors-in-Possession filed with the Court on September 7, 2007 (the "September Plan") and the disclosure statement with respect to the September Plan (the "September Disclosure Statement"), and amendments and revisions thereto and in reviewing and responding to the Debtors' motion for an order approving the September Disclosure Statement (the "September Disclosure Statement Motion") and amendments and revisions thereto;
- (ix) assisting, advising and representing the Equity Committee in reviewing and negotiating the terms of the First Amended Plan and the First Amended Disclosure Statement and in reviewing the Debtors' motion for an order approving the First Amended Disclosure Statement (the "First Amended Disclosure Statement Approval Motion");
- (x) assisting, advising and representing the Equity Committee in connection with seeking a consensual resolution of the Chapter 11 Cases prior to entry of the Confirmation Order;

23. During the Compensation Period, partners, counsel and associates of Fried Frank devoted many hours to the Chapter 11 Cases and diligently addressed the issues and concerns of the Equity Committee in an effort to assist with the reorganization of the Debtors' business.

24. By this Final Fee Application, Fried Frank requests payment in the amount of \$583,779.80, which amount corresponds to the 20% holdback for the actual and necessary professional services rendered during the Sixth Interim Period. In addition, by this Final Fee Application, Fried Frank requests final approval and allowance of fees for professional services rendered on behalf of the Equity Committee during the Chapter 11 Cases in the aggregate amount of \$11,066,482.50, most of which has been approved by this Court on an interim basis.

25. During the Compensation Period, the partners, counsel, associates and paraprofessionals of Fried Frank devoted 19,724.40 hours to the rendition of professional services on behalf of the Equity Committee. A schedule setting forth the number of hours

expended by each of the partners, counsel, associates and paraprofessionals of Fried Frank accompanies this Final Fee Application as **Exhibit C**.

26. In addition, Fried Frank is requesting final approval and allowance of reimbursement of disbursements in the aggregate amount of \$509,892.97 for expenses incurred and posted during the Compensation Period, which includes reimbursement of the actual and necessary expenses incurred or posted during the Sixth Interim Period in the amount of \$138,683.55. With respect to the disbursements incurred and posted, Fried Frank has eliminated a number of disbursements that are non-compensable. A schedule setting forth the categories of expenses for which Fried Frank is seeking reimbursement and the total amount for each expense category during the Compensation Period is attached hereto as **Exhibit D**.

27. Pursuant to section II.D of the UST Guidelines, a schedule setting forth a description of the project categories utilized by Fried Frank in the Chapter 11 Cases, the number of hours expended by the partners, counsel, associates, and paraprofessionals of Fried Frank by project category, and the aggregate fees associated with each project category is attached hereto as **Exhibit E**.

28. No agreement or understanding exists between Fried Frank and any other entity for the sharing of compensation to be received for services rendered in or in connection with the Chapter 11 Cases.

REASONABLE AND NECESSARY SERVICES RENDERED BY FRIED FRANK

29. Set forth below is a description of the services rendered during the Compensation Period. The attorneys and paraprofessionals of Fried Frank maintained daily detailed records of their time concurrently with the rendition of professional services. To the fullest extent possible, the details of each and every conference, telephone conversation, negotiating session, letter, memorandum, factual investigation, drafting activity and research project that occupied the time

of a Fried Frank professional were set forth in such time records. Accompanying this Final Fee Application as **Exhibit F** are compilations of the contemporaneous daily time entries recorded by Fried Frank's attorneys and paraprofessionals during the Compensation Period. Those entries describe in detail the services rendered by each attorney and paraprofessional, as corrected to reflect errors that were found in Fried Frank's review. The following is intended to serve as a summary description of the principal professional services Fried Frank rendered, and to highlight the benefits that were thereby conferred upon the Equity Committee.

General Committee Matters

30. Fried Frank rendered a total of 3,422.40 hours and \$2,046,636.00 in services falling within the category of "General Committee Matters." This category includes time spent participating in various meetings and telephone conferences with the Debtors, the Creditors' Committee and other key parties in the Chapter 11 Cases. In addition, Fried Frank spent numerous hours (i) researching and discussing general issues related to the Debtors' restructuring and (ii) preparing and revising memoranda necessary to understand those issues that do not fall into the more specific categories set forth in this Final Fee Application.

31. This category includes time spent related to the general management of the Equity Committee and its members including but not limited to time spent (i) getting up to speed with regard to all of the relevant issues in the Chapter 11 Cases upon being retained by the Equity Committee, (ii) working to obtain access to, and then to review and analyze, certain documents provided by the Debtors to the Securities and Exchange Commission (the "SEC") in connection with the SEC's investigation of the Debtors' accounting practices, (iii) reviewing and analyzing the multi-district litigations pending against Delphi, (iv) reviewing, analyzing and commenting on correspondence in connection with proposals from potential equity investors, (v) performing research under the Bankruptcy Code and drafting correspondence, and (vi) working with the

Debtors to negotiate the terms under which the Debtors would consent to the Equity Committee's retention of a financial advisor.

Plan and Disclosure Statement

32. Fried Frank rendered a total of 1726.50 hours and \$1,060,738.00 in services falling within the category of "Plan and Disclosure Statement." This category includes time Fried Frank attorneys spent reviewing, analyzing and commenting on drafts of documents related to the Debtors' various plans of reorganization and disclosure statements, including related motions and exhibits.

33. The Debtors circulated multiple drafts of chapter 11 plans and disclosure statements, each of which substantially impacted the rights and recovery afforded Delphi's equity security holders. Accordingly, Fried Frank assisted and advised the Equity Committee in plan negotiations and analyses to prevent the unnecessary loss or reduction to Delphi's equity holders' recovery. Specifically, the Equity Committee proposed variations of a chapter 11 plan that provided Delphi's equity security holders with a combination of warrants, rights to participate in an equity offering to help fund the Plan and primary equity attributable to some portion of the proposed distribution to be received by the Debtors' senior management under the Plan. Fried Frank also spent substantial time reviewing and analyzing various drafts of the proposed Plan and proposed Disclosure Statement and preparing for hearings on the proposed Disclosure Statement, including drafting and filing an objection related thereto. Fried Frank also addressed and analyzed issues with respect to the solicitation package and September Disclosure Statement Motion, composed a letter to existing shareholders to be included in solicitation materials, and reviewed final documentation for the issuance of securities and warrants under the September Plan. Fried Frank also spent significant amounts of time reviewing and commenting

on various drafts and had numerous telephone calls regarding the Debtors' revised Plan and Disclosure Statement as well as related filings.

34. The Debtors, GM, the Creditors' Committee and the Equity Committee ultimately negotiated a consensual plan of reorganization that obviated the need for a contested confirmation hearing involving the statutory committees or GM and resulted in equity security holders receiving (i) a primary distribution of shares of the common stock of reorganized Delphi, (ii) warrants to purchase shares of the common stock of reorganized Delphi, and (iii) par value rights to purchase shares of the common stock of reorganized Delphi. In addition, with respect to the filing of the First Amended Plan, this category also includes time reviewing and negotiating final documentation drafted for the anticipated issuance of warrants and other securities under the First Amended Plan. While equity ultimately did not receive a recovery, this was beyond the control of the Equity Committee, which had negotiated for and received a meaningful recovery for equity prior to the disintegration of the capital markets and the withdrawal of certain investors.

Meetings and Communications with Equity Holders

35. Fried Frank rendered a total of 2,217.90 hours and \$1,513,227.00 in services falling within the category of "Meetings and Communications with Equity Holders." This category includes time Fried Frank spent preparing for and attending meetings with the Equity Committee, including the Equity Committee regularly-scheduled weekly teleconferences, and related communications with the Equity Committee. The weekly teleconferences served to keep the Equity Committee updated on developments and issues facing the Debtors and equity holders during the Compensation Period. This category also includes time Fried Frank spent attending monthly joint statutory committee meetings with members of the Equity Committee hosted by

the Debtors and time spent communicating with equity holders who are not members of the Equity Committee.

Hearings

36. Fried Frank rendered a total of 496.60 hours and \$312,998.00 in services falling within the category of "Hearings." This category includes time Fried Frank attorneys spent attending and participating in hearings, chambers conferences, claims hearings and status conferences held before this Court during the Compensation Period. Significant hearings attended included hearings on, among other things, (i) the Debtors' motions to reject certain executory contracts with GM (ii) the 1113/1114 Motion; (ii) the Debtors' motions to approve the Memoranda of Understanding and settlement agreements with respect to certain of the Debtors' labor unions; (iii) the Debtors' motions to approve the GM Settlement Agreements; (iv) the EPCA and subsequent amendments thereto; (v) the Debtors' September Disclosure Statement Motion and First Amended Disclosure Statement Motion; and (vi) the Debtors' motion for confirmation of the First Amended Plan.

Miscellaneous Litigation and Motions

37. Fried Frank rendered a total of 4,817.80 hours and \$2,659,479.50 in services falling within the category of "Miscellaneous Litigation and Motions." This category includes time spent by Fried Frank reviewing and analyzing various pleadings filed during the Compensation Period and not referenced above or falling within another category and, when necessary, analyzing, researching and preparing memoranda and responsive pleadings and preparing for hearings and status conferences. This category also includes time spent negotiating with the Debtors or other parties in interest and litigating issues related to the Equity Committee's efforts to address various motions, including related discovery.

38. In particular, Fried Frank professionals reviewed and filed a response to various framework agreements among parties in interest regarding the Debtors' restructuring. The Equity Committee's efforts resulted in improved terms in the framework agreements that benefited the estate. In addition, this category includes time spent by Fried Frank reviewing and drafting pleadings regarding the Debtors' multi-district litigation, the SEC's investigation of the Debtors' accounting practices and the Debtors' program to retain key employees. Fried Frank also devoted a significant amount of resources and attention to analyzing, researching, drafting and filing objections to various iterations of the EPCA amendments and participating in related discovery. This category also includes time spent by Fried Frank professionals reviewing, analyzing and addressing the refinancing of the debtor-in-possession financing and protocols regarding asset sales.

Tax

39. Fried Frank rendered a total of 90.70 hours and \$58,236.50 in services falling within the category of "Tax." Fried Frank devoted time to reviewing, analyzing and commenting on tax issues in connection with the various iterations of the Debtors' Plan and Disclosure Statement. This category included addressing issues related to net operating losses, and the tax structure of various investment proposals.

Pension

40. Fried Frank rendered a total of 79.10 hours and \$32,475.00 in services falling within the category of "Pension." This category includes time Fried Frank spent addressing issues relating to the Debtors' pension plans and pension liabilities in the Chapter 11 Cases. This includes time spent researching, reviewing and analyzing the impact of the framework agreements on the Debtors' pension liabilities and assessing excise tax impositions in bankruptcy and pension funding requirements.

Collective Bargaining Agreements

41. Fried Frank rendered a total of 1.90 hours and \$798.00 in services falling within the category of “Collective Bargaining Agreements.” This category includes time Fried Frank spent reviewing and analyzing the various agreements between the Debtors and their unions and agreements between the Debtors and GM relating to the Debtors’ labor force.

1113/1114 Issues

42. Fried Frank rendered a total of 657.50 hours and \$291,389.00 in services falling within the category of “1113/1114 Issues.” This category includes time Fried Frank spent analyzing, researching, and addressing issues related to sections 1113 and 1114 of the Bankruptcy Code and the 1113/1114 Motion, including communicating with the Equity Committee with respect to the issues raised and reviewing the declarations submitted by various witnesses and the deposition testimony of those witnesses. This category also includes time spent preparing to participate in proceedings regarding the Debtors’ motion for approval of the 1113/1114 Motion and time spent reviewing and analyzing documents in connection with the settlement agreements between the Debtors and various labor unions.

Other Labor Matters

43. Fried Frank rendered a total of 351.00 hours and \$179,177.00 in services falling within the category of “Other Labor Matters.” This category includes time Fried Frank spent reviewing labor issues that did not fall into either the category of “Collective Bargaining Agreements” or the category of “1113/1114 Issues,” including reviewing and analyzing the Memoranda of Understanding and the agreements between the Debtors and GM relating to the Debtors’ labor force. In addition, Fried Frank prepared and revised memoranda relating to various OPEB issues and their costs and benefits. Fried Frank also reviewed and analyzed the Debtors’ attrition programs and responded to questions posed by various members of the Equity

Committee regarding these programs. Fried Frank also drafted and filed a limited objection to the Debtors' supplemental attrition program.

Relationship with Primary Customer

44. Fried Frank rendered a total of 3,086.80 hours and \$1,419,735.50 in services falling within the category of "Relationship with Primary Customer." This category includes time Fried Frank spent reviewing and analyzing the relationship between the Debtors and GM, including potential claims GM may have asserted against the Debtors in the Chapter 11 Cases and the causes of action and defenses the Debtors had against GM. In addition, in response to a request from counsel to the Debtors, Fried Frank devoted a substantial amount of time during the Compensation Period preparing a letter to counsel to the Debtors discussing the claims, causes of actions, and defenses the Equity Committee believed existed against GM and the basis for such claims, causes of action, and defenses. Fried Frank reviewed and analyzed the Creditors Committee's motion for standing to pursue the Debtors' claims against GM on the Debtors' behalf and spent a significant amount of time during the Compensation Period drafting an objection and supplemental objection to that motion. Fried Frank also spent time reviewing and summarizing the various documents produced to the Equity Committee by the Debtors and by GM in connection with the Equity Committee's investigation and analysis of potential claims, causes of action, and defenses against GM.

Fee Applications and Retention

45. Fried Frank rendered a total of 723.50 hours and \$282,680.50 in services falling within the category of "Fee Applications and Retention." This category includes time Fried Frank spent preparing and reviewing its First Interim Fee Application, Second Interim Fee Application, Third Interim Fee Application, Fourth Interim Fee Application, Fifth Interim Fee

Application and Fried Frank's monthly fee statements during the Chapter 11 Cases, including the Sixth Interim Period.

Settlement and Restructuring

46. Fried Frank rendered a total of 2,052.70 hours and \$1,323,807.50 in services falling within the category of "Settlement and Restructuring." Fried Frank devoted time analyzing, discussing and negotiating term sheets, proposals and drafts in connection with the EPCA, the Debtors' settlement agreements with GM and the labor unions and the Debtors' Plan and Disclosure Statement. As part of the Plan process, Fried Frank also researched, prepared and reviewed potential alternate proposals and discussed such proposals with the members of the Equity Committee. In connection with these proposals, Fried Frank worked with Houlihan Lokey Howard & Zukin, the Equity Committee's financial advisor, and the Equity Committee to evaluate the various recoveries proposed to be provided to equity holders, including the terms of certain securities to be distributed to equity holders. Additionally, Fried Frank assisted the Equity Committee in considering and pursuing alternative framework options.

47. During the Compensation Period, Fried Frank also spent time attending meetings and conferences with the Debtors, Creditors' Committee, Plan Investors and other potential investors, and communicating with the Equity Committee with respect to restructuring proposals and responding to questions posed by various members of the Equity Committee. Fried Frank also spent substantial time reviewing, researching, analyzing and drafting memoranda regarding the treatment of equity holders.

EXPENSES

48. As noted above, Fried Frank incurred and posted disbursements in the amount of \$509,892.97 for actual and necessary expenses incurred and recorded during the Compensation Period. These disbursements are itemized in **Exhibit D**.

49. Fried Frank's billing rates do not include components for duplicating, word processing, and other extraordinary charges that may be incurred by particular clients because of the exigencies of time and volume of demand. Fried Frank's billing method, whereby only the clients who use copying, word processing and other office services are charged for such services, maximizes fairness to all clients. Fried Frank commenced a comprehensive study and review to determine its actual costs per page for duplicating. Such study and review determined that, at the present time, Fried Frank's actual duplicating cost is 12¢ per page. In November 2006, Fried Frank became aware that the Fee Committee was taking the position that reimbursement for photocopies should be limited to 10¢ per page. Fried Frank believes that, pursuant to the Local Guidelines, photocopies should be reimbursed at Fried Frank's 12¢ per page actual cost. However, upon learning of the Fee Committee's position, Fried Frank immediately and voluntarily adjusted its charges from that point forward to 10¢ per page.

50. Fried Frank's billing rates do not include a component for word processing as part of overhead. Some time ago, Fried Frank analyzed its method of charging clients for word processing services and, specifically, whether it was appropriate to charge clients for word processing as part of overhead or based on the extent to which word processing was used. After such analysis, Fried Frank elected to keep its charges for word processing as a disbursement. Fried Frank concluded that it was fairer to its clients not to increase its billing rates to account for word processing services that might or might not be used by the client. In this way, only clients who used such services would be charged for services.

51. The time constraints imposed by the time-sensitive circumstances of these Chapter 11 Cases and by the size and complexity of these Chapter 11 Cases required Fried Frank's attorneys and other employees to devote substantial amounts of time during the evenings and on weekends to the performance of legal services on behalf of the Equity Committee. As a

consequence, Fried Frank was required to incur overtime secretarial charges to discharge its professional responsibilities.

52. Fried Frank attempted to reduce overtime secretarial charges and to limit them to instances where such were necessary, by encouraging its attorneys to use a secretarial pool. If a secretary was not needed at the attorney's desk for the entire evening, the attorney was required to bring his or her work to the firm's secretarial pool. The client was then only charged for the word processing charges associated with the document, rather than charging the client for a secretary spending an entire evening at a desk whether or not the attorney actually used the secretary for the entire time.

53. Fried Frank incurred expenses for delivery of documents. Furthermore, Fried Frank's attorneys and other employees who worked overtime and late into the evenings were reimbursed for their reasonable meal costs and their transportation costs home. Such transportation costs are necessary expenses because it is a Fried Frank policy to ensure safe transportation for its attorneys and staff after the hours when public transportation cannot be deemed safe. Fried Frank's regular practice is to charge its clients for these and other out-of-pocket disbursements incurred during the regular course of the rendition of services.

54. Fried Frank made every effort to minimize its disbursements in providing its legal services to the Equity Committee. The expenses incurred in the rendition of professional services were necessary, reasonable and justified under the circumstances to serve the needs of the Equity Committee and were billed at rates and in accordance with practices customarily employed by Fried Frank and generally accepted by Fried Frank's clients.

FRIED FRANK'S FEES AND EXPENSES ARE FAIR AND REASONABLE

55. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, Fried Frank believes that the total fees and expenses for the Compensation Period are fair and

reasonable in view of the time spent, the complexity and intricacy of the proceedings, and the problems and issues encountered. Fried Frank and the Equity Committee worked diligently throughout the Compensation Period to address key issues in the Chapter 11 Cases as expeditiously as possible. Therefore, in accordance with the factors enumerated in 11 U.S.C. §330(a)(3), Fried Frank believes that the compensation sought herein should be approved.

APPLICABLE AUTHORITY

56. In awarding compensation pursuant to section 328 of the Bankruptcy Code to counsel for an official equity committee, this Court must take into account the reasonableness of the terms and conditions of employment. Section 328(a) of the Bankruptcy Code provides in pertinent part:

(a) The trustee, or a committee appointed under section 1102 of this title, with the court's approval, may employ or authorize the employment of a professional person under section 327 or 1103 of this title, as the case may be, on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis. Notwithstanding such terms and conditions, the court may allow compensation different from the compensation provided under such terms and conditions after the conclusion of such employment, if such terms and conditions prove to have been improvident in light of developments not capable of being anticipated at the time of the fixing of such terms and conditions.

11 U.S.C. § 328(a).

57. In awarding compensation to professionals pursuant to section 330 of the Bankruptcy Code, this Court must take into account the cost of comparable non-bankruptcy services, among other factors. Section 330(a) of the Bankruptcy Code provides in pertinent part:

(1) . . . [T]he court may award to a trustee, an examiner, a professional person employed under section 327 or 1103 -

(A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, professional person,

or attorney and by any paraprofessional person employed by any such person; and

(B) reimbursement for actual, necessary expenses.
* * *

(3) (A) In determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including -

(A) the time spent on such services;

(B) the rates charged for such services;

(C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;

(D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;

(E) with respect to a professional person, whether the person is bond certified or otherwise has demonstrated skill and experience in the bankruptcy field; and

(F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a).

58. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, Fried Frank respectfully submits that the fees and expenses incurred in the course of rendering professional services were actual, necessary and reasonable, based upon the nature, extent and value of such services, the time spent thereon, and the costs of comparable services in non-bankruptcy cases, so as to best serve the needs of the Equity Committee and the Debtors' estates. Fried Frank submits further that the legal services described herein among partners, associates and paraprofessionals were executed in accordance with the principles outlined above and, moreover, in a manner consistent with the overall goal of Fried Frank to provide the highest

quality of legal representation at a reasonable cost. Fried Frank has demonstrated by this Final Fee Application that the work it did on behalf of the Equity Committee was necessary, reasonable and beneficial to the Debtors' equity security holders, unsecured creditors and the Debtors' estates.

59. This Final Fee Application clearly reflects (i) the number of hours of recorded time Fried Frank has devoted to the performance of legal services; (ii) the number of hours worked by each of Fried Frank's professionals and paraprofessionals and the hourly rate customarily charged by such persons; (iii) a detailed description of the services provided by Fried Frank's professionals and paraprofessionals during each of those hours; and (iv) the quality and nature of the services provided by each of Fried Frank's professionals and paraprofessionals. Fried Frank submits that its Fees and Expenses were actual, necessary, reasonable and justified and should, therefore, be allowed in full.

COMPENSATION REQUESTED

60. Given the circumstances of the Chapter 11 Cases, the professional services rendered by Fried Frank required an expenditure of a great deal of time and effort. During the Compensation Period, 19,724.40 recorded hours were expended by Fried Frank's partners, counsel, associates and paraprofessionals in the rendition of Fried Frank's professional services.

61. Fried Frank believes that its services were rendered in a highly efficient manner, by attorneys with high levels of skill in the areas for which they rendered services. The core group of attorneys working on this matter expended considerable time in connection with the Equity Committee's general legal needs and in furtherance of the Equity Committee's goal of furthering the interests of all equity security holders. This experienced group of attorneys made every effort to ensure that the Chapter 11 Cases progressed in the most efficient and expeditious manner and resulted in the successful reorganization of the Debtors.

62. For all the foregoing reasons, Fried Frank respectfully requests approval and allowance of its compensation in the amount of \$11,066,482.50, with an authorization for, and direction to, the Debtors to disburse such amounts to Fried Frank. This Final Fee Application is Fried Frank's final fee application for allowance of fees and disbursements incurred by Fried Frank as counsel to the Equity Committee. An allowance of compensation in the amount sought in this Final Fee Application would result in a blended aggregate average billing rate of approximately \$604.03 per hour (excluding paraprofessionals) and a blended rate of approximately \$566.88 per hour (based on recorded hours).

NOTICE

63. In compliance with the Interim Compensation Order, notice of the filing of this Final Fee Application has been provided to all parties who have filed a notice of appearance with the Clerk of this Court and requested notice of pleadings in these Chapter 11 Cases. In addition, the Final Fee Application in its entirety has been served on the following parties: (i) Delphi Corporation, 5725 Delphi Drive, Troy, Michigan 48098, Att'n: Sean Corcoran, Esq., (ii) counsel to the Debtors, Skadden, Arps, Slate & Meagher & Flom LLP, 333 West Wacker Drive, Suite 2100, Chicago, Illinois 60606, Att'n.: John Wm. Butler Jr., (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, Suite 2100, New York, New York 10004, Att'n: Brian Masumoto, Esq., (iv) counsel for the Official Committee of Unsecured Creditors, Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022-4802, Att'n: Robert J. Rosenberg, Esq., (v) counsel for the agent under the Debtors' prepetition credit facility, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, Att'n: Kenneth S. Ziman, Esq. and (vi) counsel for the agent under the Debtors' postpetition credit facility, Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017,

Att'n: Donald Bernstein, Esq. and Brian Resnick, Esq. In light of the nature of the relief requested, the Equity Committee submits that no other or further notice is necessary.

CONCLUSION

64. For the reasons set forth above, Fried Frank respectfully submits that the professional services rendered and disbursements incurred and posted on behalf of the Equity Committee were of substantial benefit to the Equity Committee, other equity holders, creditors and the Debtors. Fried Frank submits further that it provided such services in an economical and efficient manner. Accordingly, Fried Frank respectfully requests that the relief requested in this Final Fee Application be granted in full.

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WHEREFORE, Fried Frank hereby requests approval, on a final basis, of this combined sixth interim and final fee application for (i) payment in the amount of \$583,779.80, representing the 20% holdback of professional fees incurred and posted for the Sixth Interim Period and rendered on behalf of the Equity Committee, and (ii) approval, on a final basis, of compensation in the amount of \$11,066,482.50 for the reasonable and necessary legal services rendered by Fried Frank on behalf of the Equity Committee and reimbursement in the amount of \$509,892.97 for the actual and necessary expenses incurred and posted for the Compensation Period, which period includes the Sixth Interim Period. Fried Frank further requests that the total amount of \$11,576,375.47 be treated as an administrative expense of the Debtors' estates.

Dated: New York, New York
December 21, 2009

FRIED, FRANK, HARRIS, SHRIVER
& JACOBSON LLP

By: /s/ Bonnie Steingart
Bonnie Steingart
Jennifer Rodburg
Richard Slivinski

One New York Plaza
New York, New York 10004
Telephone: 212.859.8000
Facsimile: 212.859.4000

*Counsel for the Official Committee of Equity
Security Holders*